

EXHIBIT 3

1 CONFIDENTIAL - TERRENCE HENDERSHOTT, Ph.D.

2 UNITED STATES DISTRICT COURT

3 FOR THE SOUTHERN DISTRICT OF NEW YORK

4 In re: :
: Master File No.
Global Brokerage, Inc. : 1:17-cv-00916-RA-BCM
5 F/k/a FXCM, Inc. :
Securities Litigation :
6 ----- :
7

8 VIDEOTAPE DEPOSITION VIA ZOOM OF:

9 TERRENCE HENDERSHOTT, Ph.D.

10 WEDNESDAY, JULY 15, 2020
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24 REPORTED BY:

25 SILVIA P. WAGE, CCR, CRR, RPR

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2 A. Not that I am aware of.

3 Q. Okay. Professor Hendershott, in
4 connection with the preparation of your report --
5 and when I say "report, "I'm going to be
6 referring to this Exhibit 1 -- were you asked to
7 form an opinion on the market efficiency of FXCM
8 common stock?

9 A. No. I'm sorry, I'll try and stand in
10 front of the camera.

11 No, I don't believe I was. In
12 Paragraph 7 of my report, it talks about my
13 assignment and it was on the notes and then on
14 the damages methodology.

15 Q. Okay. And just so that I have a
16 clear record...

17 So nowhere in your report do you
18 offer an opinion on the market efficiency of FXCM
19 common stock?

20 MR. DAHAN: Objection to form.

21 A. So, I mean, there are times when I
22 make criticisms of Dr. Werner's methodology and
23 those criticisms are focused on -- in the report,
24 generally, on the notes.

25 But, for example, with the declining

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2 number of analysts, that same criticism could be
3 applied to market efficiency of the stock. But
4 there's not any sort of summary conclusion or
5 opinion about the efficiency of the common stock.

6 Q. Okay. So you formed absolutely no
7 opinion on the efficiency of -- the market
8 efficiency of FXCM common stock in your report;
9 is that correct?

10 MR. DAHAN: Objection to form.

11 A. So, I think, my answer would be the
12 same as my previous one. There's no sort of
13 bottom line conclusion that there are facts that
14 are talked about in the context of the notes that
15 are applicable to the stock as well.

16 Q. Now, as part of your report, did you
17 make any assumptions regarding loss causation?
18 Now, let me take a step back.

19 What is your understanding of loss
20 causation?

21 A. I believe from a financial economist
22 standpoint, it might be the losses that were
23 caused -- that are allegedly caused by the
24 Defendants to the Plaintiffs. But I'm not a
25 lawyer. So, if you can clarify that, if you want